United States Environmental Protection Agency Criminal Investigation Division Investigative Activity Report

Case Number

0506-0026

Case Title: **Reporting Office:** Ferguson Enterprises Inc. Detroit, MI, Resident Office

Subject of Report: **Activity Date:**

Interview of F. (b)(6), (b) (7)(C) former Special Master of the Detroit September 8, 2011 Water & Sewerage Department.

Reporting Official and Date:

b)(6), (b) (b)(6), (b) (7) ASAC

21-SEP-2011, Signed by: (b)(6), (b)(6), ASAC

Approving Official and Date:

b)(6), (b) (7)(C) , SAC 21-SEP-2011, Approved by (b) (6), (b)

SYNOPSIS

On September 8, 2011, U.S. EPA CID Special Agent (SA)(b)(6), (b) (7)(C) (b)(6), (b) (7)(C) regarding (b) role as the Special Master overseeing the Detroit Water & Sewerage Department (DWSD)

DETAILS

On September 8, 2011, U.S. EPA CID Special Agent (SA)(b)(6), (b) (7)(C) interviewed F. (b)(6), (b) (7)(C) regarding (b) role as the Special Master overseeing the Detroit Water & Sewerage Department (DWSD). (b)(6), has been previously interviewed in this investigation. Also present during the interview was Assistant U.S. Attorney (AUSA) Mark Chutkow and AUSA Michael Bullotta.

AUSA Bullotta reviewed the circumstances surrounding a meeting which (b)(6). was present for regarding the development of Ford Field and a House of Blues restaurant. (b)(6), explained that **b** recalled discussing this meeting with AUSA Bullotta during a previous interview. AUSA Bullotta asked if (b)(6). had reviewed (b) files and calendar for any relevant documentation to this meeting and specifically who it was from the city who (b)(6), spoke to about the fact that the city was no longer going to provide funding for the project. (b)(6), confirmed that (b) reviewed (b) files confirmed that **b** reviewed **b** files and could not find any documentation related to the meeting or who spoke to from the city after the meeting. (b)(6), did recall that the city official told (b) that the decision to pull the funding from this project was in the works prior to the meeting in question.

SA (b)(6), (b) (7) explained that she had reviewed Judge John Feiken's files and well as those from the Bodman Law firm regarding the oversight of the DWSD during the (b)(6), (b) Mayoral Administration. SA (b)(6), (b) (7) asked (b)(6), to review a copy of handwritten notes which she had obtained from the files. (b)(6), identified the notes as being in Judge Feiken's handwriting. (b)(6) thought that the notes were Judge Feiken's thoughts regarding the DWSD contract involving Inland Waters which was a controversy early on in (b)(6), (b) (7) tenure and were likely made before they met with Michigan Governor John Engler regarding a bill which had been introduced for a state take-over of the DWSD.

SA (b)(6), (b) (7) informed (b)(6), that the contract was referred to as CS 1368. (b)(6), explained that be never discussed the contract in question with (b)(6), (b) (7) or any other Inland representative. At the time (b)(6), had heard that (b)(6), was upset because (b) was getting pushed out of work at never discussed this situation with (b)(6), (b) although the two are good friends. the DWSD. (b)(6),

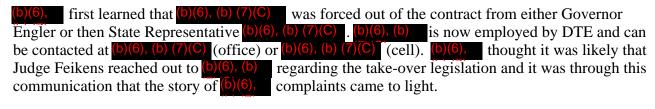
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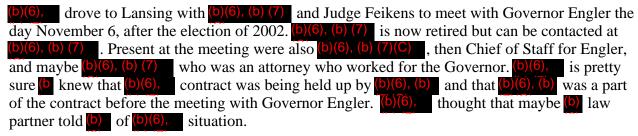
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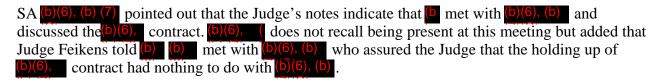
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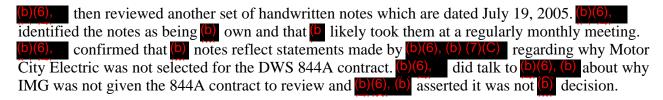
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During the meeting Governor Engler brought up the take-over legislation and that we've been hearing' from people like (b) (6), that (b) (6), (b) was putting a lot of pressure on people to hire certain contractors. (b) (6), is pretty sure Engler specifically mentioned (b) (6), and that contract was being held up for political reasons but does not recall Engler mentioning (b) (6), (b) (7) (c). Engler told the group that could kill the bill in the lame duck session of the House but it (the take-over) was a better solution than the status quo. Judge Feikens advised that the take-over was not constructive and advised the governor to veto the bill. Engler expressed belief that steps to ensure that there corruption in contracting didn't occur. Feikens advised Engler that was looking into the hiring of a firm called IMG which would review all contracts over a certain monetary threshold as a measure to protect against contracting irregularities.





(b)(6), recently learned from (b)(6), (b) (7) that the IMG contract with the DWSD pre-dated Judge Feiken's order to hire them.